

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

Competitive Products Price Changes  
Rates of General Applicability

Docket No. CP2017-20

CHAIRMAN'S INFORMATION REQUEST NO. 1

(Issued October 24, 2016)

To clarify the Postal Service's planned competitive product price adjustments as described in its notice concerning changes in rates of general applicability for competitive products<sup>1</sup>, the Postal Service is requested to provide written responses to the following questions. Answers should be provided no later than October 28, 2016.

**Domestic Competitive Mail**

1. Please refer to Governors' Decision No. 16-7.<sup>2</sup> Governors' Decision No. 16-7 states that the Priority Mail Express Commercial Plus prices were matched to the Priority Mail Express Commercial Base prices in 2016. Governors' Decision No. 16-7 at 2. Governors' Decision No. 16-7 also states that the Priority Mail Express Commercial Plus will continue to match Priority Mail Express Commercial Base prices in 2017. *Id.* However, Governors' Decision No. 16-7 states that Priority Mail Express Commercial Base prices will increase 2.4 percent on average, and Priority Mail Express Commercial Plus prices will increase 2.3 percent on average. *Id.* Please confirm that the difference in average price increases for Priority Mail Express Commercial Base and Priority Mail Express Commercial

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<sup>1</sup> Notice of the United States Postal Service of Changes in Rates of General Applicability for Competitive Products Established in Governors' Decision No. 16-7, October 19, 2016 (Notice).

<sup>2</sup> The Postal Service attached Governors' Decision No. 16-7 to the Notice. Notice, Decision of the Governors of the United States Postal Service on Changes in Rates of General Applicability for Competitive Products (Governors' Decision No. 16-7), October 11, 2016 (Governors' Decision No. 16-7).

Plus is due to differences in volume distribution of these two products. If not confirmed, please explain.

2. Please refer to Governors' Decision No. 16-7 and Attachment, Part B, containing the draft text of the Mail Classification Schedule (MCS). Pursuant to 39 C.F.R. § 3015.3(b), please provide an explanation and justification for the following changes to the MCS:
  - a. In section 2115.1, the deletion of the annual mailing permit fee for destination-entered Parcel Select mailpieces.
  - b. In section 2120.1, the deletion of the annual mailing permit and account maintenance fees for Parcel Return Service mailpieces.
3. Please refer to Excel file "PME Calc.xls," tab "Baseline Revenue," cells B4, M4, and X4.<sup>3</sup> Please define the term "Hybrid Revenue" used in these cells.
4. Please refer to Excel file "PM Calc.xls," tab "Baseline Revenue," cells B3, L3, and V3.<sup>4</sup> Please define the term "Hybrid Revenue" used in these cells.

### **International Competitive Mail**

5. Please refer to Governors' Decision No. 16-7 at 4, and Attachment, Part B, containing the draft text of the MCS at section 2305.6. Governors' Decision No. 16-7 states that "[w]eight-rated items tendered at retail counters may be offered at prices equivalent to Priority Mail International (PMI) for certain destinations and weight steps, if all [Priority Mail Express International (PMEI)] eligibility requirements are met and the Postal Service determines that service can be

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<sup>3</sup> Notice, folder "Price Calc Files," "PME Calc.xls," tab "Baseline Revenue," cells B4, M4, and X4.

<sup>4</sup> Notice, folder "Price Calc Files," "PM Calc.xls," tab "Baseline Revenue," cells B3, L3, and V3.

improved and/or the PMEI destination country delivery costs are lower than PMI destination country delivery costs.”

- a. Please explain which destinations and which weight steps are included in this proposed discount.
  - b. Please provide an explanation that discusses the requirements or the factors taken into account when the Postal Service determines whether to apply this discount to a weight-rated PMEI parcel.
6. Please refer to Excel file “IPA-ISAL Calc.xlsx,” tabs “ISAL FY15 PQW Volume” and “IPA FY15 PQW Volume,” cell B72 in each tab. Please reconcile the figures in these cells with the figures reported in the Fiscal Year (FY) 2015 Annual Compliance Report (ACR).<sup>5</sup> If applicable, please file amended workpapers.

#### **International Competitive Special Services**

7. Please refer to Excel file “Intl SpecServ Calc.xls,” tab “INTL SPECIAL SERVICES,” cell D24. Please reconcile the figure in this cell with the figure reported in the FY 2015 ACR.<sup>6</sup> If applicable, please file amended workpapers.

By the Acting Chairman.

Robert G. Taub

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<sup>5</sup> Docket No. ACR2015, Library Reference USPS-FY15-NP2, December 29, 2015, folder “ICRA Core Files,” Excel file “Reports (Unified).xls,” tab “Pivot1,” cells F198 and F203.

<sup>6</sup> Docket No. ACR2015, USPS-FY15-NP2, folder “ICRA Core Files,” Excel file “Reports (Unified).xls,” tab “A Pages (c),” cell L60.